



Insolvency and Bankruptcy Code, 2016 – resolution of insolvency of personal guarantors – Constitutional validity of provisions – Whether approval of resolution plan of a corporate debtor discharges its personal guarantors of their liability under the contract of guarantee? The batch of petitions in this case challenged the constitutional validity of the notification issued by the Central Government by which the provisions pertaining only to resolution of insolvency of personal guarantors were notified and brought into force. The Petitioners in all these petitions had furnished personal guarantees to banks and financial institutions on behalf of borrower companies with which they were associated. The case of the petitioners inter alia was that the impugned notification had been issued in excess of the authority conferred upon the Central Govt. According to them, the provisions section 1(3) of the Insolvency and Bankruptcy Code, 2016 .....